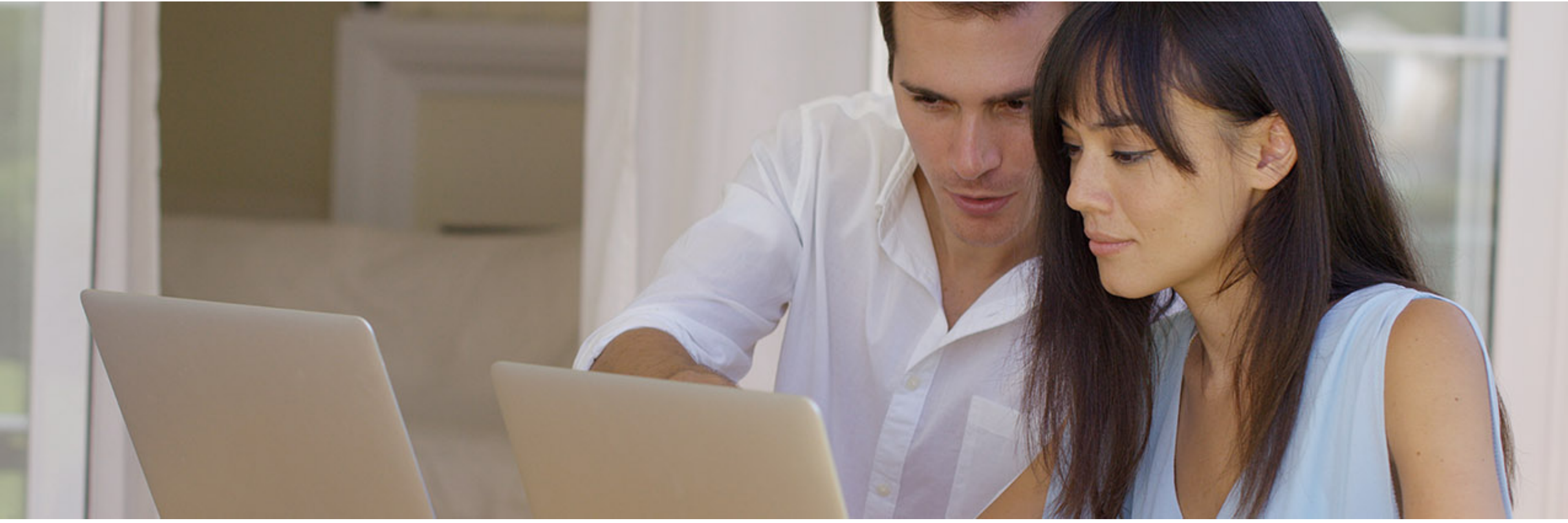

Marriage Financing for the Millennial Generation

A few personal finance tips so that your married future will be bright

Young adults born between 1981 and 1996, the Millennial Generation, face a variety of challenges in their quest for financial security – especially those preparing to get married. Some of these challenges are similar to those faced by previous generations, while others are unique to the times. If you are of the Millennial Generation "on your way to the altar," here are some financial tips to help you manage your money and plan for the future for you and your future spouse.

Invest in Your Future

Okay, you have a good job, but who knows where tomorrow's opportunities may lie? Moreover, ongoing technological changes in many fields will require continuous upgrading of education and specific work skills. One way to improve your job and career prospects is to give a high priority to furthering your education. The more varied and flexible your skills, the more attractive you will be to prospective employers.

Start an Emergency/Opportunity Fund

The uncertainty surrounding the world of work will quite likely mean your working life may be punctuated by a series of job and career changes. If you need to go to school full-time to change career paths, you may have stretches of time without stable income. Building up an emergency fund (while fully employed) to cover three to six months' of "bare bones" living expenses can help you control work-related transitions. This type of savings fund can also be used for opportunities such as starting your own business.

Save Early and Continuously for Retirement

If you aren't aware of it yet, welcome to the reality that saving for retirement is a responsibility that falls squarely on your shoulders. Even in 401(k) plans that have employer-matching contributions, the bulk of the funding will be left up to you through tax-deferred salary reductions. In addition, the uncertainty surrounding the future of Social Security raises questions about what kind of retirement benefits the government may provide 30-40 years from now. While that may seem like a long way off, the key is to make time your ally.

Remember, what you accumulate during your working years will be the primary source of your income for your retirement years. And, even if inflation stays low and averages just 3% annually far into the future, prices will still double about every 24 years, cutting the purchasing power of your retirement funds.

Let Retirement Funds Accumulate

If you change jobs early and/or often in your working years, consider rolling over your account into an Individual Retirement Account or new company plan. It may be tempting to cash in the account, especially if you have accumulated only a small amount, but doing so would make it immediately taxable, and you may also incur an early withdrawal tax penalty. However, the greater concern is that you would also be “cashing in” part of your most important ally – time. It is also important that both you and your spouse (if working) take advantage of any employer-sponsored retirement programs.

Use Credit Cards Wisely

Beginning in college, young adults are targeted by credit card companies, so that by the time you prepare to marry you may already be in debt from credit cards. While they may often be a great convenience (it seems virtually impossible to conduct some transactions such as airline ticket reservations without one), they have the potential to create debt problems. Because payments can be stretched out far into the future, over-spending on credit can create an illusion of wealth. Paying off the full balance each month (except for emergency situations) is the best way to control your use of credit.

Learn some basics about personal finance and apply a little common sense to managing your financial affairs and your future will be bright.